

EXHIBIT 347

July 28, 2006

VIA FACSIMILE (313) 234-4149
And First Class Mail



Barbara K. Dobric
Drug Enforcement Administration
431 Howard Street
Detroit, Michigan 48226

Re: Walgreens Distribution Center
Perrysburg, Ohio

Dear Ms. Dobric:

In furtherance of our recent telephone conversations, please accept the following responses to the issues identified during the March 2006 regulatory investigation of the above referenced facility.

Walgreen Co. ("Walgreens") strives to maintain our distribution operations at the highest level of compliance and we appreciate the observations of the Drug Enforcement Administration ("DEA") investigators that serve to supplement our own internal control systems. The responses below to the issues identified during the inspection should not be considered as either an admission or denial of any alleged violation but instead as assurances to DEA that each of these matters has been satisfactorily addressed.

1. Controlled Substance Suspicious Orders

Walgreens is currently pursuing the necessary programming to modify this formula in accordance with the voluntary formula listed in Appendix E-3 of the DEA Chemical Handler's Manual. Walgreens expects that these programming changes will be completed and implemented within the next six (6) months.

2. Shipping Containers

Walgreens has modified the tote tags used on shipping containers for controlled substances so that they are now indistinguishable from the shipping containers used for non-controlled substances.

3. Central Recordkeeping

Walgreens maintains that 21 CFR §1304.04(a) does not require DEA registrants to maintain copies of purchase orders at the registered facility. By letter dated June 26, 2006, Walgreens notified DEA of its intent to maintain controlled

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substance purchase order and invoice information for this facility centrally at the corporate headquarters. A copy of this notification is enclosed for your records.

4. Inventories

Enclosed is a copy of the most recent biennial inventory taken on December 30, 2005, which indicates that the same was taken at the close of business. Personnel at the Perrysburg facility have reviewed other inventories that are maintained and have corrected these to more clearly indicate that each was taken at the open or close of business.

5. Reporting Losses in Transit

The loss in transit identified during the investigation was properly reported on DEA form 106. Programming changes were implemented as of July 15, 2006, which will ensure that any future loss in transit is not recorded as a distribution.

6. Primary Purchase Record

Walgreens has identified report REPB309 as the primary receiving record for this facility. Enclosed is a sample copy for your review. The REPB309 includes each of the elements specified in 21 CFR §1304.22(b). In the alternative, report REPB307 is available on site and can also be used as a receiving record. A sample of this report is also enclosed. Walgreens would appreciate if you could confirm that the REPB309, and/or the REPB307 fully comply with DEA regulations.

7. List I Chemical Identification

In conjunction with the implementation of the requirements under the "Combat Methamphetamine Epidemic Act of 2005", Walgreens is conducting a review of all products containing pseudoephedrine or ephedrine. Walgreens expects to discontinue the sale and distribution of many of these products. Additionally, a considerable number of products are being reformulated by the respective manufacturers; replacing pseudoephedrine with another decongestant. A new listing of products containing pseudoephedrine entitled "PSE List I" will be available on or before July 31, 2006.

8. List I Chemical Thresholds

Walgreens' distribution of all List I chemicals is limited solely to the distribution between the applicable distribution center and the Company's individual stores. Arguably, any such distribution is excluded from the definition of a regulated transaction, pursuant to 21 CFR § 1300.02(b)(28), because each distribution is a

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lawful intra-company transaction completed in the usual course of business. Notwithstanding that all such distributions are intra-company, proper

recordkeeping is maintained in accordance with 21 CFR 1310, with each and every unit being accounted for between the distribution center and the respective store. Walgreens timely submits its monthly "suspicious order" report in accordance with 21 CFR § 1301.74(b), and additionally, has implemented specific line item order limits/restrictions for various products which contain List I chemicals.

9. List I Chemical Suspicious Orders

As reflected in the responses to paragraphs 7 and 8 above, Walgreens is preparing an updated listing entitled "PSE List I." However, as also explained above, all of the Company's transactions from its distribution centers are intra-company transactions, where, under no circumstance, especially in light of the aforementioned item line limits, could there be a regulated transaction, which could arguably be classified as a "suspicious order", involving "...an extraordinary quantity of listed chemical, an uncommon method of payment or delivery, or any other circumstance that the regulated person believes may indicate that the listed chemical will be used in violation of this part." (See generally 21 CFR Section 1310.05(a)(1).

10. List I Chemical Identification

All solid dosage forms containing a List I chemical are packaged in "blister packs", in an amount equal to, or less than, the package size limits promulgated under the Methamphetamine Anti-Proliferation Act of 2000. All applicable reports contain the "name, quantity and form of packaging..." as required by 21 CFR § 1310.06(a)(3).

Thank you again for your consideration in providing clarification to the issues identified during the investigation of this facility. I look forward to speaking with you once you have had the opportunity to review the responses.

Sincerely,

Dwayne A. Piñon, R.Ph., Senior Attorney
Corporate & Regulatory Law
(847) 314-4452

Enclosures

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bcc: T. Watkins (with encl.)
T. Polarolo (with encl.)

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06/26/2006 12:07

NO. 570 002



COPY

June 26, 2006

VIA CERTIFIED MAIL

Robert L. Corso Special Agent in Charge
Drug Enforcement Administration
Detroit Field Division
431 Howard Street
Detroit, Michigan 48226

RE: Walgreens Distribution Center
28727 Oregon Road
Penysburg, OH 43551
DEA Registration # RW0294493

Dear Mr. Corso:

Pursuant to 21 CFR § 1304.04, please accept this letter as notice of our intention to maintain controlled substance purchase order and invoice information generated for the above referenced facility in computer readable form at a central location located at 200 Wilmot Road, Deerfield, IL 60015.

Sincerely,

Todd Polarolo
Walgreens
Penysburg Distribution Center Manager

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06/19/2006 08:54

NO. 541 D84

COPY

**2005 CONTROLLED SUBSTANCE INVENTORY LIST AND
RECORDS COMPLIANCE**

Name of registrant: Walgreen Distribution Center **DC Number:** 11

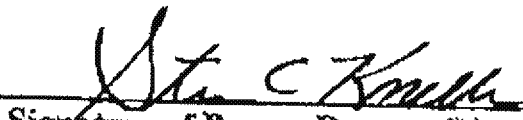
Address: 28727 Oregon Rd.

City: Perrysburg **State:** OH **Zip Code:** 43551

DEA Registration Number: RW0294493

Date of Inventory: Friday, December 30, 2005

Inventory Taken At Close of Business



**Signature of Person Responsible for Taking Inventory and Confirming
Record Keeping Compliance**

NOTE:

**1.DO NOT SEND YOUR COMPLETED INVENTORY TO DEA OR PHARMACY
BOARD. ONE COPY SHOULD BE RETAINED AT LOCATION APPEARING ON
REGISTRATION CERTIFICATION FOR FIVE YEARS.**

2.SEND A SECOND COPY OF THIS INVENTORY TO LOGISTICS.

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Controlled Item Receipts Detail REPB309

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Controlled Item Receipts Detail (REP 0309)

COPY

Example

Report Number: REPB309
Requested By: JAECKELN

WALGREENS
CONTROLLED ITEM RECEIPTS -- DETAIL

Date : 10/19/04
Time : 12:45:20
Page : 1

REPORT PERIOD : 10/01/04 - 10/19/04
ITEM : 064822
CATEGORY : ARCOS Drugs
VENDOR : 043632
VENDOR NAME : PHRM ASSOC
VEND SHIP POINT : 201 DELAWARE ST
DEA NUMBER : RP0285383

DESCRIPTION : QUAL-FUSSIN OC SYR (PAI) + 473ML
CITY: GREENVILLE
STATE: SC
ZIP: 29305

DATE RECEIVED	DATE APPROVED	ADJ IND	CASE PACK	ORDERED ONLIES	RCVD ONLIES	CONTROL CATEGORY	PURCHASE ORDER	FREIGHT BILL	CARR
10/01/04	10/04/04		12	120	120	ARCOS	03843176	0295103-100104	FKGD
10/01/04	10/04/04		12	120	120	ARCOS	03845640	0295103-100104	FKGD
10/04/04	10/05/04		12	120	120	ARCOS	03850660	PA1265	PSAT

**** End of Report ****

<http://snetapp.walgreens.com/prodpublisher/dea/tracking/cntrlitemreceiptsdetail.htm>

6/19/2006

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W A L G R E E N S #010001 REPORT PERIOD: 2/23/05 - 2/27/06 ITEM.....: 685928 VENDOR..... CATEGORY..... DATE RECEIVED DESCRIPTION														
3/01/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11014320	PFIZER "C"	111778240	030105-102931A	FEDX
3/03/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11035669	PFIZER "C"	111778240	030305-654183A	FEDX
3/10/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11400855	PFIZER "C"	111778240	031005-702932	FEDX
3/14/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11402399	PFIZER "C"	111778240	702932A	FEDX
3/21/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11405066	PFIZER "C"	111778240	031805-702932A	FEDX
4/05/05	XANAX	IMG	TAB	100	685928	48	72	72	D	11019805	PFIZER "C"	111778240	040505-7029329A	FEDX
4/13/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11413206	PFIZER "C"	111778240	041205-702933	FEDX
4/17/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11415917	PFIZER "C"	111778240	041505-702933	FEDX
4/25/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11418362	PFIZER "C"	111778240	042205-702933B	FEDX
5/02/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11421393	PFIZER "C"	111778240	042905-702933A	FEDX
5/05/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11422742	PFIZER "C"	111778240	050505-7029338	FEDX
5/13/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11425459	PFIZER "C"	111778240	051205-702933	FEDX
5/16/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11427000	PFIZER "C"	111778240	051305-702933A	FEDX
5/23/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11429507	PFIZER "C"	111778240	052005-716161A	FEDX
5/27/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11432108	PFIZER "C"	111778240	052605-716161	FEDX
6/10/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11437815	PFIZER "C"	111778240	061005-716162	FEDX
6/10/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11438880	PFIZER "C"	111778240	060805-716162A	FEDX
6/20/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11440830	PFIZER "C"	111778240	061705-716162A	FEDX
6/24/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11442076	PFIZER "C"	111778240	062305-716162	FEDX
6/30/05	XANAX	IMG	TAB	100	685928	48	48	96	D	11444730	PFIZER "C"	111778240	062905-716163A	FEDX
7/11/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11448722	PFIZER "C"	111778240	070705-716164	FEDX
7/20/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11452593	PFIZER "C"	111778240	072005-716164	FEDX
7/25/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11454189	PFIZER "C"	111778240	072205-716164A	FEDX
8/03/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11456958	PFIZER "C"	111778240	072905-716164A	FEDX
8/04/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11459460	PFIZER "C"	111778240	072905-716164A	FEDX
8/16/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11461815	PFIZER "C"	111778240	080405-716164	FEDX
8/17/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11462779	PFIZER "C"	111778240	081205-716164A	FEDX
8/22/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11464053	PFIZER "C"	111778240	081705-716164	FEDX
8/30/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11466639	PFIZER "C"	111778240	081905-641164A	FEDX
9/09/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11469113	PFIZER "C"	111778240	083005-716164A	FEDX
9/16/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11472503	PFIZER "C"	111778240	090205-716164B	FEDX
9/17/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11471408	PFIZER "C"	111778240	091505-716165	FEDX
9/28/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11476670	PFIZER "C"	111778240	090905-716164B	FEDX
9/29/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11477840	PFIZER "C"	111778240	092305-716165AB	FEDX
10/06/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11480347	PFIZER "C"	111778240	092905-716165	FEDX
10/14/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11483208	PFIZER "C"	111778240	100605-716165	FEDX
10/17/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11484516	PFIZER "C"	111778240	101305-716165A	FEDX
10/24/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11487045	PFIZER "C"	111778240	102105-716165A	FEDX
11/02/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11489472	PFIZER "C"	111778240	103105-716165C	FEDX
11/08/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11491869	PFIZER "C"	111778240	110405-716165C	FEDX
11/10/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11492986	PFIZER "C"	111778240	110405-716165C	FEDX
11/21/05	XANAX	IMG	TAB	100	685928	48	48	48	D	11497162	PFIZER "C"	111778240	111005-716165AA	FEDX

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WALGREENS CORP® LAW Fax 847-315-4660

PLEASE MAIL.
THANKS.

**** Transmit Conf. Report ****

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Jul 28 2006 03:44pm

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Walgreens

Corporate and Regulatory Law

Walgreen Co.
104 Wilmot Road
Mail Stop #1447
Deerfield, IL 60015

Facsimile Cover Sheet

To: Barbara K. Dobric
Drug Enforcement Administration

Phone:
Fax: 313-234-4149

From: Dwayne A. Pifion
Company: Walgreens- Corporate And Regulatory Law
Phone: (847) 315-4452
Fax: (847) 315-4660

Date: July 28, 2006
Pages: 8
(Including cover)

Re: Walgreens Distribution Center, Perrysburg, Ohio

COMMENTS:

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